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Variations on Public Brainpower: Findings from Country Case Studies of Oil- and Gas-Producing Countries

Indra Overland

Introduction

This chapter sums up the 18 country case-study chapters that make up the bulk of the volume and prepares the ground for the concluding chapter. At the end of the chapter, I discuss some general challenges encountered in the preparation of the book and the research carried out for the country case studies.

The purpose of the country case studies has been to provide systematic and comparable empirical information on some of the world's main oil- and gas-producing countries. Following up the concept of 'public brainpower' presented in the introductory chapter, and drawing inspiration from the work of Almond and Verba (1965), Dahl (1956, 1989), Habermas (1962), Putnam (1995, 2000) and Putnam

I. Overland (✉)

Head of the Energy Programme, Norwegian Institute of International Affairs (NUPI), Oslo, Norway

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et al. (1994), the case-study chapters have explored freedom of speech, dynamic and wide-ranging public debate through multiple independent media channels and active civil society that engages in petroleum-sector issues.

To ensure geographical and cultural variety, at least two countries were included from each of the world's major oil- and gas-producing regions: the Arab/Persian Gulf, the former Soviet Union, Latin America, North Africa, the OECD countries and sub-Saharan Africa. Thus, the case-studies include developed, middle-income and developing economies; democratic and non-democratic regimes; countries ranked high and low on indices of democracy, freedom of speech, governance and corruption; members and non-members of OPEC, the EU and the International Energy Agency; as well as countries with predominantly Catholic, Muslim, Orthodox Christian and Protestant populations.

Although it is useful to categorize these countries along various dimensions, each country has its own unique story and setting. For instance, Iraq is a war-torn country that experienced a US-led invasion and that continues to suffer from ethno-sectarian violence and the meteoric rise and fall of the Islamic State. Venezuela had 17 years of left-wing rule under former president Hugo Chávez and his successor Nicolás Maduro and suffers from severe polarization. Egypt was a significant oil exporter in the 1980s and 1990s, but became a net oil importer around 2010 and is haunted by the legacy of former President Hosni Mubarak and the Arab Spring. Russia stands out as a former superpower with 70 years of Soviet history that were followed by a period of democratization and lawlessness and, more recently, a period of steadily growing authoritarianism under President Vladimir Putin. Even between Norway and the UK there is a stark contrast in approaches to the petroleum sector and the involvement of the public in policy formulation, although both countries are West European constitutional monarchies with strong cultural and social ties and have successfully coordinated the development of the North Sea petroleum province across their shared maritime boundary.

Case-Study Highlights

Algeria

Hydrocarbon revenues have long played a central role in Algeria, where the non-transparent circumstances of their redistribution have enabled the government to survive the Arab Spring and remain in power despite the socio-economic problems affecting the country. Paola Rivetti and Francesco Cavatorta observe that public debate and repression of public dissent co-exist, while oil and gas revenues are used to co-opt and repress demands for reform voiced by civil society. Open discussion, especially concerning the need for economic diversification, is permitted because it is not seen as particularly dangerous to the regime and because civil-society activism has limited impact on decision-making. Although civil society is not able to generate major institutional change at the national level, research institutes, opposition parties, media outlets, some institutional actors and ordinary citizens are increasingly contributing to and shaping the public debate over how oil and gas rents are to be used.

Angola

Angola has enjoyed few development benefits from its petroleum resources. Jesse Ovadia describes how the ruling party's periodic clamp-downs on civil society and increasingly heavy-handed tactics serve to limit the autonomy of many actors to participate in public debate. As a result, both reformist and confrontational strategies are unlikely to have a significant impact on the government's management of petroleum resources. An important aspect of the situation in Angola is the polarization of society and the country's decades-long civil war, driven in part by external powers using different Angolan political-military blocs as proxies. In that regard, there are similarities with the polarization of several Latin American oil- and gas-producing states, but the role of

external political influence and the level of violence have probably been greater in Angola. Angola also resembles the post-Soviet states in that there is a relatively diverse and active civil society, but some of the main civil-society organizations have been created, promoted or co-opted by the state.

Azerbaijan

Public debate and public participation in decision-making are strictly limited in Azerbaijan. Kenan Aslanli describes how key decisions about the petroleum sector are made exclusively by top officials and members of government. Individual citizens are largely excluded from processes of policy formulation, decision-making and opinion formation. Civil society activists are active in the social media, but public-policy debates are otherwise almost non-existent. Shortcomings among civil-society organizations combined with government-imposed constraints have left the country's civil society stunted. The Extractive Industries Transparency Initiative (EITI) has provided the only platform for civil society to engage with industry and government on petroleum-sector management. In 2015, however, Azerbaijan lost its compliant status under this initiative by failing to meet the new EITI Standard, largely due to the government's failure to engage civil society.

Canada

Canada is a vast and geographically diverse federation where each petroleum-endowed province or territory makes its own decisions about how oil and gas is to be developed within its borders. According to Shantel Jordison, the oil and gas industry is the government's chief partner in development, and First Nations play a central role in resource development. The Canadian civil-society actors with greatest influence on the petroleum sector are companies, the media and First Nations; least influential are academia/think-tanks. Other noteworthy aspects of the

Canadian oil and gas debate are the relative neutrality of the media and the growing role of the social media in connecting individuals from different civil-society groups to promote action for or against various oil and gas developments.

Colombia

The oil industry in Colombia and its major reforms have been marked by the strong economic technocracy within the Treasury and the National Planning Department, which are closely connected with Colombia's most prestigious faculty of economics and its most influential public-policy think-tank. Carlo Tognato observes that political parties, segments of academia, some NGOs, trade unions and the media have played varying roles in debates about the management of the oil sector. For example, they have been quite effective at attaching public stigma to fracking, thereby pre-emptively undermining its introduction in Colombia. Emotional public opposition to fracking is not unique to Colombia: this is observed also in the Algeria and UK case studies. In Colombia, however, illegal armed groups have also played a role in the management of oil revenues, particularly in the territories under their influence. The deep polarization of the Colombian public sphere regularly prevents public debate on oil from addressing the specific challenges that the sector faces, leading instead to a war of attrition between supporters of the guerrillas and opponents of capitalism on the one hand and opponents of the guerrillas and supporters of capitalism on the other.

Egypt

Civil society in Egypt is absent from energy-related policy-making in general and oil and gas in particular, due partly to the industry's isolated location (as is also observed in the UK case study). As Robert Springborg notes, oil and gas is a sector of marked sensitivity because it generates a disproportionate share of rents with which Egypt's 'deep

state' buys loyalty and obedience. Unable to engage effectively in public debate in these vital areas, civil society is denied learning opportunities relevant to public policy more generally. Exclusion from the energy arena also has an enervating effect on civil society, compounding its sense of its own irrelevance. State, society and energy in Egypt are caught up in a vicious circle that has profoundly negative impacts on the country's economy and polity and from which it is not easy to see an exit. Violent protest—sometimes defined as 'terrorism'—grows out of this vicious circle and the repression of civil society.

Iraq

Public debate about the petroleum sector in Iraq is—perhaps surprisingly—vibrant and dynamic, with numerous actors expressing diverse views. However, due to the divisions and violence in Iraqi society, these views are at times so divergent that it is difficult to reconcile them. Ibrahim Al Marashi describes how a nascent public sphere has emerged in post-Ba'athist Iraq, allowing for greater debate on the country's management of its petroleum resources. Since 2003, Iraq's petroleum sector has reconstituted itself, with the arrival of new international oil companies, leading to robust public debates that invoke discourses on resource nationalism and the resource curse. The primary public concern is the development of a legislative framework to govern foreign investment in the petroleum sector and the distribution of hydrocarbon rents within the country. Political parties are the most vocal and influential participants in this debate, partly as a result of their control over most of the Iraqi media. As a result of these interconnected relationships, and given that parties run for election every four years, public debate influences petroleum policy more than it does in most other states in the region, such as Saudi Arabia or the UAE. However, trade unions, NGOs, academic institutions and powerful individuals do not in their own right have much influence on petroleum matters—only through the political parties or by appearing on state-controlled media or media affiliated with specific political groups.

Kazakhstan

In Kazakhstan, civil society is held back and has had a limited role in the management of the petroleum sector. As Roman Vakulchuk and I note, civil society has had little experience of promoting its own interests vis-à-vis the state, and public discussion of natural-resource issues has been mainly government-driven. The fact that Kazakhstan made a notable step forward—from being a collapsing socialist economy in the 1990s to becoming a regional economic player with improved social and economic performance—has helped to legitimize non-transparent natural-resource policies. As long as the socio-economic situation continues to improve or remains stable, the non-transparent management of natural resources is likely to be accepted by the population, which, like the Russian population, puts a premium on stability. The relative passivity of civil society has been compensated by Kazakhstan's exposure to international initiatives and organizations such as the World Bank, the International Monetary Fund, the Organization for Security and Co-operation in Europe and numerous UN agencies. As in Azerbaijan, EITI has provided a platform for some civil-society engagement with industry and government.

Libya

Libya was established in 1951 as a federation with three provinces and has never fully settled as a nation-state. Ebtissam Al Kailani-Chariat describes how, from 1951 until the Gaddafi coup in 1969, oil was a source of development and stability. The petroleum industry and its legal framework were built on the interaction among the country's three provinces, foreign oil companies and foreign expertise. Under Gaddafi's rule from 1969 to 2011, oil was his weapon in dealing with the Western world, which meant that it was diverted away from domestic use. Gaddafi enforced control over Libya's oil resources through centralization and totalitarianism. Starting with the 2011 uprising, the country was wracked by violent conflict among the provinces, centred on the management of the country's petroleum resource wealth. Since 2014, Libya has been

divided into two parts, with two independent legislative and executive authorities—in Cyrenaica and in Tripolitania—still fighting for control over the oilfields and the national oil company. Thus, in Libya, rather than public debate between different views, there is geographical division and civil war.

Netherlands

In the early days of the Dutch gas sector, from 1950 to 1973, the government and the gas industry negotiated the natural gas regime without much involvement of society, in a similar way to Norway. As Aad Correljé explains, policy-making was confined to the country's elite, representing the various 'pillars' of Dutch society: Protestants, Catholics, liberals and socialists. Between 1973 and 1995, when these pillars started to crumble, civil society took a more active stance on gas exploitation and commercialization. However, because of the public–private institutional setup that had already been established, there was little actual impact on gas policy. From 1995 to 2010, gas policy was characterized by liberalization, with gas becoming a commodity rather than a public good. During this period, a multitude of actors began to voice their opinions about many aspects of energy and gas supply, including economics, climate change, safety, geopolitics and local environmental protection, often in opposition to each other. This created a situation, particularly after 2012, in which policy-making has become increasingly complex. On the one hand, the role of national policy has been reduced by liberalization and by the increasing dominance of EU regulation. On the other hand, public opinion is divided on many energy issues and often seems disconnected from the complexities of managing a real-world energy system.

Nigeria

Along with Angola and Venezuela, Nigeria appears to be a classic case of the resource curse. According to Cyril Obi, the main aspects of petroleum policy that civil society seeks to influence in Nigeria include

accountability, the upstream and downstream operations of the oil industry and socio-economic policy. Trade unions are key civil-society actors seeking to influence oil policy in Nigeria. Other relevant organizations include Revenue Watch International (RWI), the Nigerian Extractive Industries Transparency Initiative (NEITI) and environmental rights and pro-democracy groups such as Environmental Rights Action (ERA), Stakeholder Democracy Network (SDN) and the Movement for the Survival of the Ogoni People (MOSOP). The media also play an important role in efforts to influence petroleum policy in Nigeria. These and other organizations set the agenda for the debates around oil and national development—through published reports and public statements, newspaper announcements, television programmes, public demonstrations, press releases, presentations at workshops and position papers presented to government agencies and international organizations, through social media such as Facebook and by mobilizing people through public demonstrations. However, despite the vibrancy of civil-society activism, and the relative freedom of speech expressed through the media and social media, the general public has had limited influence on the levels of corruption and mismanagement of oil and gas revenues in Nigeria.

Norway

Civil society involvement and public debate are not the only important characteristics of Norwegian petroleum governance. As in the Netherlands, during the early years of the country's oil and gas development, most important choices were made by a small number of government decision-makers with little input from the broader society. In the chapter on Norway, I observe that the attitude of government officials was therefore decisive for Norway's early successes. Corruption levels were low, and officials often took a technocratic view of the petroleum sector. This approach was reinforced by academics and other independent experts, ensuring a considerable technocratic element in the evolution of Norwegian petroleum governance. During the two first decades of Norway's petroleum era, economists at the Ministry of Finance, the Norwegian School of Economics, Statistics Norway and the University of

Oslo played important roles. One of the greatest successes of Norwegian oil and gas governance, the sovereign wealth fund, was created by technocrats in interaction with politicians. However, over time, and in a way similar to the Netherlands, civil society and public debate came to play more influential roles. What characterizes contemporary Norwegian petroleum governance is that it has many legs to stand on: an active and diverse civil society, free and diverse media, many political parties representing differing interests, numerous institutions of research and higher education and, importantly, a strong technocracy inside and outside government. In combination, these legs provide for both reliability and dynamism, as Norwegian petroleum governance is constantly evolving. Finally, a key aspect of Norway's Nordic model is constant compromise—which is difficult to achieve in more polarized societies.

Qatar

The influence of civil society on the governance of Qatar's natural gas sector appears to be growing, but it still remains marginal. According to Steven Wright, the primary civil-society actors are found in academia, think-tanks and NGOs, followed by companies engaged in joint ventures. The mass media have a lesser bearing, but within the social media, the government has shown itself responsive to societal concerns about how resources are managed and allocated. Political parties and trade unions are currently illegal in Qatar, but their part in influencing how revenues are used may change in the future if the constitution is fully implemented and an elected legislative chamber is established. Especially pertinent is the role of extended tribal family networks, whose concerns or opinions on the perceived mismanagement of oil and gas revenues are expressed through informal channels. The marginal role of civil society is changing, however, as awareness about how energy wealth is spent has grown. Access to statistics, social media and government as well as non-governmental reports has fostered greater civil awareness and feedback on petroleum revenue expenditure. A notable feature of the way that Qatar's petroleum revenues have been used is the considerable government investment in promoting the country's international standing, by hosting

international events, establishing subsidiaries of well-known Western academic institutions and creating the Al-Jazeera media network. Thus, it seems paradoxical that Qatari civil society is still little engaged in the formulation of petroleum policy.

Russia

In Russia, civil-society engagement with the petroleum sector is surprisingly rich and varied for a country that is ranked low on most democracy-related indicators. Nina Poussenkova and I find that there is a lively and varied public debate, with business associations, research institutes, independent experts, indigenous organizations and the few surviving independent media actively and often competently analysing and commenting on a broad range of issues related to the oil and gas sector. Russians were early users of social media, which occasionally also function as a platform for discussion of petroleum policy issues. However, the real impact of civil society on decision-making and policy formulation in the petroleum sector is not as great as the diversity of actors and discussion might imply. One key reason is the tight government control over mainstream media outlets, especially the national television channels, either directly or through Gazprom's media holdings. Because of this, Russia lacks the media element that could channel and amplify civil-society engagement into real influence on the petroleum sector, although social media remain vibrant. The situation for free speech and civil society worsened steadily from around 2004 to 2016, and the full, long-term effects of this development may not yet be fully apparent. As in neighbouring Kazakhstan, the Russian population prioritizes stability over freedom. While a central concern in this book is whether the media and civil society have any influence on the petroleum sector, in Russia the paradoxical situation is that the relationship is often reversed: the gas company Gazprom is used by the government to control key mass media, and the oil company Yukos played a central role in promoting civil society until its main owner Mikhail Khodorkovsky was arrested.

Saudi Arabia

The 2014–2016 oil price collapse necessitated changes in Saudi government policy. As Mark C. Thompson notes, despite the limitations placed on technocrats by the existing political system, their elevation to major decision-making positions, also in the energy sector, appears to signify an attempt at greater inclusiveness in policy-making. The McKinsey consultancy, which advises the Saudi government, has argued that all stakeholders—including the private sector, foreign investors and private households—will need to be involved in national development. The key issue here is whether the government is willing to open its decision-making processes further, also within the energy sector, to stakeholders who are qualified and prepared to contribute to the overall national development of the Kingdom. The question is how far this process will proceed. As the impact of the low oil price has started to hurt the individual Saudi's pocket, the issue of who makes the major decisions, especially as regards resource governance and the Kingdom's distributive system, is increasingly discussed widely in Saudi society.

UAE

The Emirate of Abu Dhabi possesses 94% of the UAE's hydrocarbon resources. As Martin Hvidt explains, the current decision-making system in Abu Dhabi relies on the traditional tribal system of rule—with highly exclusive decision-making processes in which only the members of ruling family and their closest associates play a role, combined with a sensible, flexible, dynamic and long-sighted petroleum policy. There is hardly any public debate around the development of the petroleum sector, or even in relation to the introduction of nuclear power in the country. The only public debate concerns consumer prices on Petrol and Diesel. This is in line with long established practices, whereby both external consultants and foreign oil companies holding concessions in the country provide expert advice to decision-makers. Abu Dhabi has accumulated one of the world's largest sovereign wealth funds, which is invested broadly and profitably, including in the development of Dubai,

the main international city in the UAE. The UAE also invests heavily in renewable energy: it has financed the construction of the Masdar low-carbon city and hosts the International Renewable Energy Agency (IRENA).

UK

Two important obstacles to the influence of public debate over the management of the UK's oil and gas resources have been its offshore nature and the specialized nature of petroleum policy, both of which tend to create distance between civil society and the petroleum sector. Philip Wright and Juan Carlos Boué argue that a powerful business lobby has had the most influence over public debate and policy development, eclipsing even the political parties, which since the 1960s have provided only sporadic proactive leadership on petroleum policy. The impact of the business lobby is illustrated by the fact that the UK's effective tax rate, particularly following policy changes in the early 1990s, is lower than those of its North Sea neighbours Denmark, Germany, the Netherlands and Norway. The influence of trade unions has been restricted in Britain's anti-trade union offshore environment, while NGOs have been vocal on single issues, notably fracking in recent years (as in Algeria and Colombia) but without consistent longer-term impact. Similarly, the academic debate has been loud on some policy issues but has also been compromised by the business lobby.

Venezuela

Although Venezuela's experience since the 1980s would seem to make it a classic example of the resource curse, that perspective fails to explain the country's impressive economic, social and institutional performance—including healthy public debate—throughout the five decades after oil was first produced on a large scale. Ricardo Villasmil takes a long view of the Venezuelan experience and argues that this initial performance was lengthy and positive but fragile, given the incapacity of the country's

institutions to adapt to the different environment that developed afterwards, characterized by high oil price volatility and significant and sudden declines in oil revenues. The prolonged initial period of equilibrium became a curse of sorts. Lacking adaptive efficiency, political institutions were forced to rely increasingly on maintaining an illusion of harmony, and as faltering performance became evident, Venezuelans began questioning the model and its hegemonic arrangements. The scope and magnitude of the economic, social and institutional devastation that followed were such that public debate became one of the first casualties. One of the main problems in contemporary Venezuela is the polarization of politics. This makes it difficult for the country's population to arrive at reasonable solutions through discussion.

Case-Study Challenges: Non-Finding Findings

Work on the 18 country case studies presented in this volume involved several challenges. However, as I discuss in this section, sometimes a challenge or a failure to find information can offer important insights too.

Inaccessibility of Information

The original plan was for each case study to detail how civil society and public debate contributed to the formation of petroleum policy in the country in question. However, many chapter authors struggled with researching and writing about this, as neither civil society nor public debate are permitted in their countries. In those cases, the contributors tried to at least find out what views or thoughts the population might contribute to a public debate if there were an opportunity to engage in public debate—in other words, to identify the repressed views existing below the surface. However, in some cases even such information was inaccessible. Decision-making and policy formulation can be so closed and public debate so repressed that it is hardly

feasible to find examples of anyone outside key government organs who even attempts to express an opinion on petroleum policy (Overland 2011).

On the other hand, the fruitlessness of this effort can be seen as a finding in its own right and one that speaks directly to the hypothesis of this book. In some petroleum-rich countries, civil society and public debate play hardly any role in the management of petroleum resources. In those countries, the government operates on its own—and, according to our hypothesis, in the long term, governance of the petroleum sector should be bad.

Lack of Local Expertise

For several of the countries covered in this book, it was challenging to identify suitable chapter authors. Ideally, the contributing authors should fulfil two requirements: have the necessary qualifications for writing such a chapter in English and to international academic standards; and be from or based in the country in question, to ensure their grasp of local conditions. I often had to look long and hard for such people, notwithstanding help from several research assistants in searching extensively for candidates and suggestions from other helpful colleagues. Some such local experts were found, but still a disproportionate number of the contributors have a Western, usually Anglo-Saxon, background. Of those who are locals, many have Western higher education and/or are based in Western countries.

In some cases, the educational and research systems of oil- and gas-producing countries are simply not equipped to train such experts. As Robert Springborg notes in his chapter on Egypt:

There are few independent arenas within which expertise on energy can be developed, and no university departments or affiliated institutes specialized in energy. Although Egypt has many faculties of economics, it produces very few energy economists. None of the country's most prominent economists have that specialization. The two leading economics think-tanks, the

Economic Research Forum and the Egyptian Centre for Economic Studies, produce comparatively few studies on energy in Egypt or elsewhere.

Even in a country such as Russia—the world’s largest oil and gas exporter at the time of writing, with a petroleum history stretching back over a century and an impressive academic and scientific tradition—it was no simple matter to locate a suitable contributor. In several less developed and smaller countries it was even more difficult. The difficulty in identifying qualified local contributors is an interesting finding in its own right, as it reflects on the (un)availability of minds and voices to record, analyse, comment on and propose changes to petroleum policy in many countries.

The Long Arm of Censorship

While editing the country chapters, I noticed that some authors seemed cautious about criticizing the rulers of the country where they work and would make sure to include some positive points about the country and the policies of its government. This also applied to Western academics working in the country they were writing about. This, too, is a relevant finding, as it shows how self-censorship can extend beyond locals to persons who are citizens of other countries but have some dependence on the country in question.

This problem may even affect scholars currently based outside the country they study, as they may fear having future visa applications rejected and losing access to interviewees and partners in the country. A country expert has made considerable investments that tie him or her to the country of expertise: learning the language, spending prime years getting a relevant education and then subsequently spending several more decades further specializing in the study of that country, accumulating relevant publications and building personal networks among people in that country and among academics, policymakers and companies dealing with the country. Such experts may be married to someone from that country, with property, parents and old friends and colleagues based there.

All this contributes to making people good country experts because it gives them access to local knowledge and networks—but it also makes it difficult for them to change their research topic, which in turn can foster caution. Otherwise their next visa application may be rejected or they or somebody they know may be sanctioned by the authorities of the country in question. In sum, censorship and repression of freedom of speech can hobble not only domestic but also foreign voices that might contribute to a country's public debate.

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